

DEPARTMENTAL BUDGET INFORMATION AUDITOR GENERAL (50)

STATEMENT OF PURPOSE

The Office of the Auditor General (OAG) is to act as an independent, full-service appraisal function to examine and evaluate the City's activities in order to improve the accountability for public funds and improve the operations of City government. The OAG promotes the economy, efficiency and effectiveness of City government and protect against fraud, waste and abuse by conducting independent audits, investigations and evaluations; by keeping the City Council and the Mayor fully and currently informed of our work; by committing to total quality; by adhering to the professional standards of the auditing profession; and by promoting an atmosphere of mutual trust, honesty and integrity among OAG staff and the people we serve.

DESCRIPTION

The Office of the Auditor General (OAG) performs audits of each City agency and prepares written reports which convey the resultant audit findings and recommendations to the City Council, the Mayor, and the management of each agency.

The OAG also performs special projects and other work, as requested by City Council, as initiated internally, or as required by City Code. Many of these projects result in formal reports or other communications to City Council. The Office also analyzes the Mayor's proposed City budget for City Council each fiscal year. The annual financial audits of the City and its Federal financial assistance programs are performed by outside auditors hired by the OAG.

The OAG has the responsibilities and authority stated in Section 4-205 of the

Charter of the City of Detroit to make audits of the financial transactions of all City agencies; to make a report of the financial position of the City after the close of each fiscal year; to investigate the administration and operation of City agencies; to settle all disputed claims in favor of or against the City as provided by ordinance, and to make reports to City agencies of irregularities of practice and erroneous accounting methods.

The OAG's primary responsibilities are the examination and evaluation of the adequacy and effectiveness of the City's system of internal control and the quality of performance in carrying out assigned responsibilities. This entails the following:

- A review of the reliability and integrity of financial and operating data and the means used to identify, measure, classify and report such information.
- A review of the systems established to ensure compliance with those policies, plans, procedures, laws and regulations that could have a significant impact on operations and reports.
- A review of the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- An appraisal of the economy and efficiency with which resources are employed.
- A review of operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operation or programs are being carried out as planned.

The OAG also annually evaluates the effectiveness of the City's overall risk management function, and performs biennial evaluations of the administration and

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effectiveness of risk management function in each city agency.

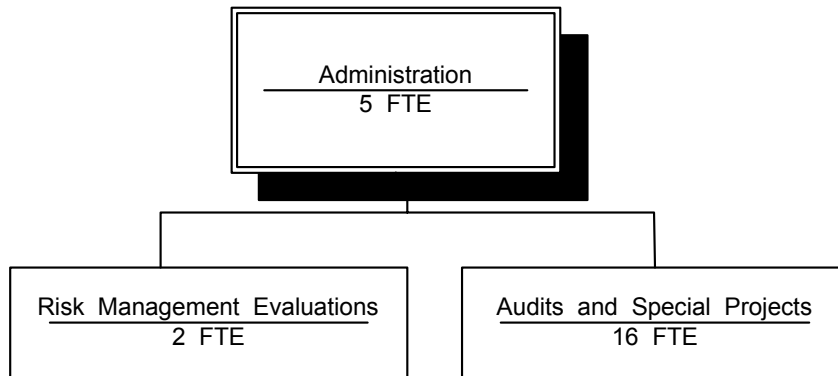
**MAJOR INITIATIVES FOR
FY 2006-07**

The Office of the Auditor General's most important initiative planned for the fiscal year ending June 30, 2007 is to aggressively work to meet our Charter mandate of auditing every City department biennially. This mandate is increasingly important during times of increased risk due to limited resources and department downsizing and reorganization. Additional OAG initiatives include the completion of a comprehensive review of the City's risk management processes, and the implementation of electronic audit working papers to gain greater audit efficiency within our department.

**PLANNING FOR THE FUTURE FOR
FY 2007-2008, FY 2008-09 and BEYOND**

The Office of the Auditor General will continue to attract, train, supervise and motivate auditors, in order to meet our Charter mandates and the goals established for the year.

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PERFORMANCE GOALS, MEASURES AND TARGETS

Types of Performance Measures: List of Measures	2005-06 Actual	2006-07 Projection	2007-08 Target
Outputs: Units of Activity directed toward Goals			
Reports on Internal Control Reviews	16	21	19
Other Reports Issued	17	6	6
Claims hearings	81	50	50
Contract Reviews	9	0	0
Risk Management Evaluations	3	2	4

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EXPENDITURES

	2005-06		2007-08		
	Actual	2006-07	Mayor's	Variance	Variance
	Expense	Redbook	Budget Rec		Percent
Salary & Wages	\$ 974,954	\$ 1,353,577	\$ 1,316,067	(37,510)	-3%
Employee Benefits	568,799	955,185	864,170	(91,015)	-10%
Prof/Contractual	335,748	526,000	722,000	196,000	37%
Operating Supplies	12,141	14,637	26,453	11,816	81%
Operating Services	121,546	129,070	127,505	(1,565)	-1%
Capital Equipment	1,080	-	-	-	0%
Fixed Charges	3,798	3,797	-	(3,797)	-100%
Other Expenses	65,737	19,896	34,475	14,579	73%
TOTAL	\$ 2,083,803	\$ 3,002,162	\$ 3,090,670	\$ 88,508	3%
POSITIONS	16	23	23	-	0%

REVENUES

	2005-06		2007-08		
	Actual	2006-07	Mayor's	Variance	Variance
	Expense	Redbook	Budget Rec		Percent
Sales & Charges	\$ 139,363	\$ 250,000	\$ -	(250,000)	-100%
Miscellaneous	618	-	-	-	0%
TOTAL	\$ 139,981	\$ 250,000	\$ -	\$ (250,000)	-100%